

FY2001 Bison Report

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Background

The 57th Legislature placed language in the Appropriations Bill, HB 2 that requires the Department of Livestock to submit a yearly fiscal report of the cost of managing the bison brucellosis disease control program. Specifically, the language states:

The Department shall record separately all personal services, operating expenses, equipment, and capital expenditures related to bison control for all programs in which any resources are expended for that purpose on the state accounting, budgeting, and human resource system in a manner so that those expenditures may be readily derived and shall create a summary report. The department shall provide an annual report, by program, to the legislative fiscal analyst and the office of budget and program planning of all expenditures related to bison control.

Interagency Bison Agreement

On December 22, 2000 the Montana Department of Livestock (DOL) and the Montana Department of Fish, Wildlife and Parks (FWP) with federal agencies implemented the Interagency Bison Management Plan, as described in the Record of Decision and approved by the Governor of the State of Montana, as the appropriate strategy for the management of bison that move from Yellowstone National Park into Montana. The Interagency Bison Management Plan is similar to the preferred alternative that was described and evaluated in the Final Environmental Impact Statement (FEIS), dated November 15, 2000, and is within the scope of that analysis. DOL and FWP have proceeded to implement bison management according to the Interagency Bison Management Plan and in cooperation with the United States Department of Interior, (USDI), National Park Service (Yellowstone National Park), United States Department of Agriculture (USDA), Forest Service (Gallatin National Forest), and USDA Animal Plant Health Inspection Service (APHIS). Implementation of the Interagency Bison Management Plan by DOL and FWP was contingent upon a decision by the federal agencies to implement a plan that contained the management actions described in the state approved plan; the federal agencies did adopt such a plan on December 22, 2000. The cooperation of the agencies and their shared commitment to a single management plan is essential to effectively manage bison and the risk of transmission of brucellosis from bison to domestic livestock.

During FY2001, federal funds received by the Department of Livestock via a cooperative agreement and a grant with USDA APHIS were utilized for operational and research analysis projects at the Department of Fish Wildlife and Parks and the MSU Veterinary Molecular Biology Laboratory in Bozeman. These efforts are in conjunction with the Interagency Bison Management Plan.

SABHRS Reporting

The fiscal activity of the bison/brucellosis control program is recorded in the Animal Health Division of the department. During Fiscal Year 2001 (FY01), bison fiscal activity was recorded in organizational centers (org) 401, 402 and 409. Org 401 records bison operational costs funded with state special revenue derived from livestock producers. These expenditures are recorded in account 02426, per capita fee. Orgs 402 and 409 account for FY01 fiscal activity for federal sources of revenue that are recorded in the 03427 account.

FY2001 Bison Appropriation Authority

The 56th Legislature appropriated \$225,000 in federal funds and \$178,143 in state special funds from the

livestock industry for bison/brucellosis control activity. This is a total of \$403,143 in combined appropriation authority in FY01 in HB2. The Legislature restricted this spending authority as one-time-only (OTO).

Increased Federal Funds

After the legislative session, the Department of Livestock received \$427,650 of federal funds in addition to the \$225,000 originally appropriated. Thus, the total amount of federal funds authorized to the department in FY01 was \$652,650. These funds were received from USDA/APHIS Veterinary Services, as per cooperative agreement for federal fiscal year 2001 that ran from October 1, 2000 through September 30, 2001. Because the federal fiscal year begins three months later than the state fiscal year, spending authority for these funds are continued three months into the next state fiscal year. In FY01 there was \$104,672 from Federal FY2000 that was continued into State FY2001. Thus, a total of \$757,322 was authorized spending authority during the period of State FY2001. The Board of Livestock authorized the cooperative agreement and the expenditure of these funds in an effort to maintain Montana's brucellosis-free status.

Additionally, the Department of Livestock received a federal grant of \$174,040 from USDA/APHIS Veterinary Services for Montana's participation the Greater Yellowstone Interagency Brucellosis Committee (GYIBC). These funds are used for research and analysis and associated costs in maintaining our brucellosis free status as well as Montana's participation with Wyoming and Idaho on the GYIBC. The department submitted appropriate budget control documents to the Governor's Office of Budget and Program Planning for spending authority for state FY01 that was approved. This report details the expenditure of these state special and federal funds for bison brucellosis disease control.

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Expenditures

State Special Revenue - Org 401

The Department expended \$19,041 in state special revenue for bison related activity.

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Expenditure Detail-Org. 401 – State Special:

Budget Item	Budget Amount	Expenditure	Balance
1000 Personal Services	\$40,220	\$0	\$40,220
2000 Operations			
2100 Contracted Services	\$23,313	\$6,079	\$17,234
2200 Supplies	\$13,277	\$4,982	\$ 8,295
2300 Communications	\$4,000	\$7,180	-\$3,180
2400 Travel	\$40,000	\$0	\$40,000
2500 Rent	\$23,000	\$800	\$22,200
2700 Repair and Maintenance	\$9,016	\$0	\$9016
2800 Other Expenses	\$5,317	\$0	\$5,317
Total Operations	\$117,923	\$ 19,041	\$98,882
-	-	-	-

3000 Equipment			
- 3100 Equipment	- <u>\$20,000</u>	- <u>\$0</u>	- <u>\$20,000</u>
TOTAL ORG 401	- <u>\$178,143</u>	- <u>\$19,041</u>	- <u>\$159,102</u>
-	-	-	-
Funding Per Capita Account 02426	-	-	-
- State Special Revenue	- <u>\$178,143</u>	- <u>\$19,041</u>	<u>\$159,102</u>
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The expenditures in org 401 are detailed as follows:

Personal Services:

There were no personal services expenses recorded in org 401 which is funded through state special revenue.

Operations:

Org 401 details the operational costs from state special revenue in each category.

Contracted Services:

The following shows the services provided in this category:

Consulting and professional services	\$2,395	
Printing	<u>\$3,684</u>	\$6,079

During FY2001, DOL was very involved in completing a Final Environmental Impact Statement (FEIS), and a Record of Decision (ROD) that culminated in the implementation of the Interagency Bison Management Plan. The consulting services was for technical advisors who assisted with the analysis of issues and the creation of the documents. The printing costs was for the publication of the documents.

Supplies

The supply items expended in state special revenue for bison operations are as follows:

Minor tools and equipment	\$ 112	
Printing	<u>\$4,870</u>	\$4,982

A majority of the costs was for the necessary for the publication of the FEIS and the ROD.

Communications

Postage	\$7,092	
Cellular phones and calls	<u>\$ 88</u>	\$7,180

Postage was for the distribution of the FEIS and ROD documents.

Rentals and Leases

Rent cost for equipment and worker housing are detailed as follows:

Rent Non-state D of A Buildings	<u>\$ 800</u>	<u>\$ 800</u>
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The rental was for housing of bison work crews.

Total Direct Expenses-State Special Org 401**\$19,041****Expenditure ORG 402 – Bison Cooperative Agreement - Federal Funds:**

Org 402 details bison expenditures from the federal funds authorized by the Legislature and the two budget amendments added since the legislative session. The amended funds did not become available until later in the State fiscal year. Org 402 also includes continuing authority of \$104,673 from FY2000 amended federal funds as discussed earlier. The expenditure of all federal funds in State FY 2001 is detailed as follows:

Budget Item	Budget Amount	Expenditure	Balance
1000 Personal Services	\$296,392	\$149,457	\$146,935
2000 Operations			
2100 Contracted Services	\$259,164	\$176,502	\$82,662
2200 Supplies	\$ 530	\$ 26,260	\$(25,730)
2300 Communications	\$ 8,505	\$ 5,990	\$2,515
2400 Travel	\$ 29,371	\$ 37,593	\$(22,488)
2500 Rent	\$ 32,885	\$ 29,892	\$2,993
2600 Utility	\$ 0	\$ 1,479	\$(1,479)
2700 Repair & Maintenance	\$ 15,500	\$20,644	\$(5,144)
2800 Other	\$ 1,240	\$ 1,840	\$(600)
Total Operations	\$347,196	\$300,199	\$46,997
3100 Equipment	\$113,735	\$73,492	\$40,243
TOTAL EXPENDITURES	\$757,322	\$523,147	\$234,175
Funding Acct. Entity 03427	-	-	-
Total Fed. Special Revenue	\$757,322	\$523,147	\$234,175

The federal expenditures recorded in org 402 are detailed as follows:

Personal Services:

There was \$149,457 expended in direct personal services for operational and administrative bison work performed by the Department of Livestock in FY 2001.

\$149,457**Operations:**Contracted Services

Contracted services were primarily for security, legal services, consulting services, insurance, lab testing, printing and other costs. A total of \$176,502 in expenditures are detailed as follows:

Security Protection	\$137,067	
Legal services	\$ 18,656	
Consulting services	\$ 17,890	
Insurance	\$ 1,000	
Lab Tests	\$ 914	
Printing	\$ 432	
Medical Services	\$ 426	
Miscellaneous	\$ 117	\$176,502

Supplies and Materials

The supplies and materials include numerous items necessary for the operation of the bison program. This

includes such items as fuel for vehicles, minor tools and equipment such as generators and munitions which are primarily cracker shells for hazing bison, electrical supplies for lighting the facility, uniforms and clothing for personnel working on site, office supplies, law enforcement items, lab supplies, hay, photo and reproduction supplies and miscellaneous supplies. These items are detailed as follows:

Fuel	\$ 9,378	
Minor tools and equipment	\$ 4,939	
Munitions (cracker shells for hazing)	\$ 3,581	
Electrical supplies	\$ 2,432	
Clothing	\$ 2,176	
Office supplies & minor equipment	\$ 1,148	
Law enforcement equipment for persons	\$ 806	
Laboratory equipment & supplies	\$ 731	
Hay	\$ 630	
Photo & reproduction	\$ 356	
Miscellaneous	\$ 83	\$26,260

Communications

Communications include expenditures for cellular and regular phones and related charges, phone equipment, postage and long distance charges. These expenses are listed as follows:

Cellular phones	\$4,857	
Phone equipment	\$ 505	
Postage	\$ 394	
Long distance	\$ 234	\$5,990

Travel

Travel is for bison grounds crews and other department employees traveling to Gardiner and West Yellowstone to perform bison control duties. It also includes travel to out-of-state meetings on bison and brucellosis issues attended by officials of the department. Aircraft rental is used for identifying and hazing bison.

In-state aircraft	\$20,345	
In-state personal car mileage	\$ 476	
In-state other	\$ 473	
In-state meals	\$ 366	
In-state lodging	\$ 2,632	
In-state meals overnight	\$ 9,044	
Out of state commercial transportation	\$ 3,350	
Out-of-state personal car mileage	\$ 332	
Out-of-state meals and other	\$ 180	
Out-of-state meals overnight	\$ 274	
Out-of-state lodging training	\$ 121	\$37,593

Rent

The rent category includes such items as snow removal equipment, snowmobiles, loaders, rental of aircraft to count bison and other specialized equipment. It also includes rent for the housing of bison ground crew workers.

Heavy equipment	\$15,733	
Rent/non-state Building	\$ 4,560	
Small equipment	\$ 3,978	
Aircraft Rental	\$ 3,978	
Leased Equipment	\$ 1,152	
Storage	\$ 411	
Miscellaneous	\$ 80	\$29,892

Utilities

The utility costs are for the propane to operate the lab test trailer, electricity for the facility and garbage removal.

Propane	\$ 1,045	
Electricity	\$ 315	
Garbage removal	\$ 109	\$1,479

Repair and Maintenance

The bison operation repair and maintenance category includes such items as repairs of buildings and grounds which includes the capture facilities and related items. It also includes the repair and maintenance of older vehicles operated at the facility, the repair of snowmobiles and ATV's and radio and communication equipment.

Vehicle repair and maintenance	\$ 8,007	
Facility and grounds maintenance	\$ 4,279	
Snow equipment and ATV repairs	\$ 5,726	
Radio equipment repair and maintenance	\$ 2,257	
Minor tool repairs	\$ 305	
Miscellaneous repair and maintenance	\$ 70	\$20,644

Equipment:

Two pickups were purchased for bison operations. A skid loader was needed for snow removal and related work. Radio and other law enforcement equipment was purchased. Also equipment at the diagnostic lab for brucellosis analysis was procured. These items are detailed as follows:

Autos & trucks	\$45,350	
Snow removal equipment	\$12,183	
Law enforcement equipment	\$ 8,991	
Laboratory equipment	\$ 5,468	
Horses	\$ 1,500	\$73,492

Grand Total Costs Org 402-Federal **\$523,147**

Greater Yellowstone Interagency Brucellosis Committee (GYIBC) – Org 409 – Federal

Expenditure Org 409 accounts for expenditures of a federal grant from USDA/APHIS for Montana's portion of a three-state committee (Idaho, Wyoming, and Montana) for research aimed at eliminating brucellosis in wildlife in the Greater Yellowstone Area.

Budget Item	Budgeted Amount	Expenditure	Balance
2100 Contracted Services	\$130,000	\$ 74,781	\$ 55,219
2200 Supplies	\$ 19,040		\$ 19,040
2300 Communications	\$ 10,000		\$ 10,000
2400 Travel	\$ 15,000	\$87	\$ 14,913
2700 Repair and Maintenance		\$ 8	\$ (8)
Total Operations	\$174,040	\$ 74,876	\$ 99,164

Detail of Expenses:

There was a total of \$74,876 expended in GYIBC federal funds in State Fiscal Year 2001. Most of these expenditures were for contracted services for related research efforts. A total of \$50,000 was contracted and transferred to the Molecular Biology Lab in Bozeman for brucellosis research. The Department of Livestock entered into an agreement with Fish, Wildlife and Parks for specific research regarding brucellosis in wildlife. In FY 2001, \$24,781 was expended for these purposes. The remaining miscellaneous expenditures were primarily for travel to various meetings regarding brucellosis research and committee work.

Total Expenditures of Org 409 – GYIBC

\$74,876

Combined Total Bison Related Expenditures – Org 401, 402 and 409

In FY2001 the Department of Livestock funded its bison operations and administrative work with federal and state special revenue. The state special cost was funded by per capita fee state special revenue funded by Montana's livestock producers. Expenditures of state special revenue totaled \$19,041 and federal expenditures were \$598,023.

Combined Total FY01 Expenditures – All Funds

\$617,064

Charts:

Chart One:

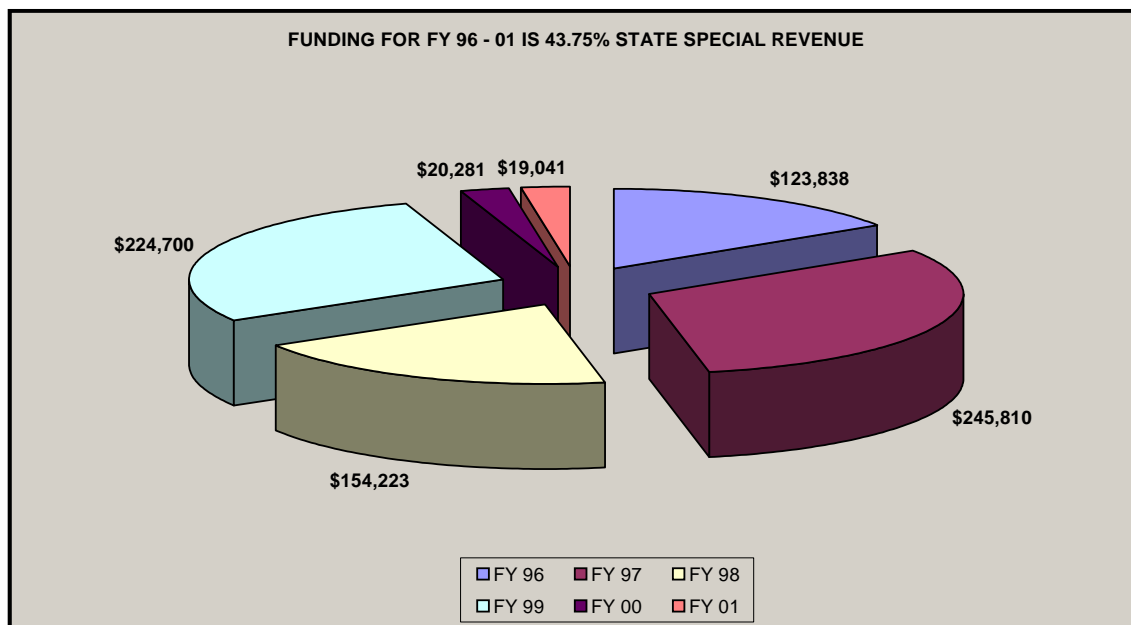
MONTANA DEPARTMENT OF LIVESTOCK SUMMARY OF BISON EXPENDITURES FY96-01						
	FY96	FY97	FY98	FY99	FY00	FY01
Expenditure:						
PER. SER.	\$40,996	\$41,189	\$6,709	\$22,205	\$944	\$149,457
EQUIPMENT					\$208,315	\$73,492
OPERATE	\$82,842	\$204,621	\$147,514	\$233,649	\$194,508	\$394,116
TOTAL	\$82,842	\$204,621	\$147,514	\$233,649	\$403,767	\$617,065
FUNDING:						
ST. SPEC.	\$123,838	\$245,810	\$154,223	\$224,700	\$20,281	\$19,041
FEDERAL			\$0	\$31,154	\$383,485	\$598,024
TOTAL	\$123,838	\$245,810	\$154,223	\$255,854	\$403,766	\$617,065

Chart One summarizes bison/brucellosis expenditures from FY96 through FY01. It also shows the source of funding for this same period. This period of time experienced both the increase in overall expenditures in the effort to manage the bison/brucellosis issue and the significant increase in federal funding in FY00 and FY01 to assist in resolving the problem. It is particularly noteworthy that the livestock industry has experienced significant fiscal relief from the increased federal financial participation by USDA/APHIS. From FY96 through FY99, state special revenue from industry funds had direct expenditures of \$748,571 for an average of \$187,143 each fiscal year. During this period the federal expenditures were only \$31,154. Over 96% of the bison/brucellosis costs were financed by the Montana livestock industry.

Efforts were made in FY99 to pursue federal assistance. In FY 99, \$31,154 was expended in federal funds. In FY00, the State of Montana entered into a cooperative agreement with USDA/APHIS and expenditures from federal sources increased to \$383,485. In FY01, the State of Montana received federal funding for bison operations and a GYIBC grant to research ways to prevent the entry and spread of brucellosis in the State. In FY01, total expenditures from federal revenue increased to \$598,024. Federal financial participation allowed state special expenditures to decline to \$20,281 in FY00 and \$19,041 in FY01. By the end of state FY01, federal sources accounted for 97% of the annual expenditures in the bison/brucellosis control effort. The Montana livestock industry's fiscal expenditures declined to 3%.

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Chart Two:



The State of Montana was shouldering the cost of the bison/brucellosis issue from FY 96 through FY 99. Chart Two shows that in Fiscal Years 2000 and 2001 that this burden has been greatly reduced with the advent of federal assistance.

Chart Three

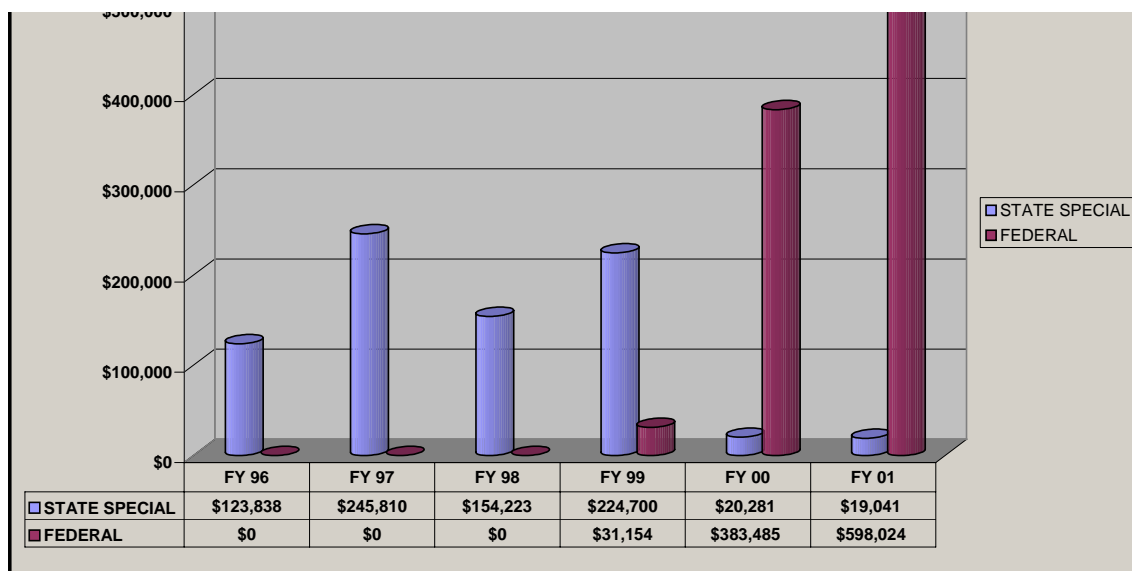


Chart Three illustrates the fiscal impact of the bison/brucellosis issue in Montana. The State of Montana was shouldering the cost of the problem exclusively from FY96 through FY98. Then late in FY99 the State was successful in acquiring some federal funding to address the issue. By FY2000, the State of Montana expended \$383,385 of federal funds. Use of state special industry funds declined from \$224,700 in FY99 to \$20,281 in FY00 and \$19,041 in FY01. Federal funding increased from \$31,154 in FY99 to \$383,485 in FY00 and \$598,024 in FY01.

Chart Four

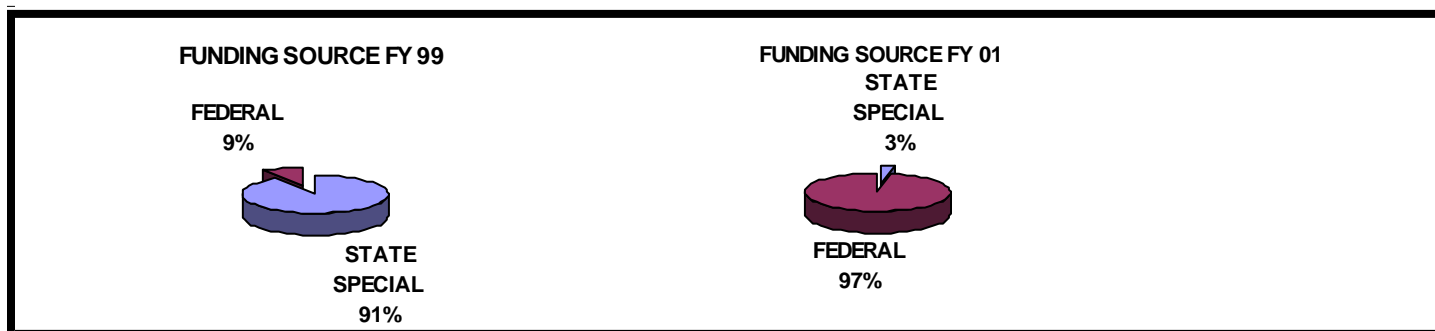


Chart Four illustrates the funding reversal for bison/brucellosis control in Montana. As late as FY99, the livestock industry of Montana was funding 91% of the costs. However, by FY01 the federal government was funding 97% of the cost. These facts demonstrate an obvious fiscal relief to the livestock producers of Montana. It also clearly shows that the federal government recognizes its significant role in resolving the bison/brucellosis issue.

Chart Five

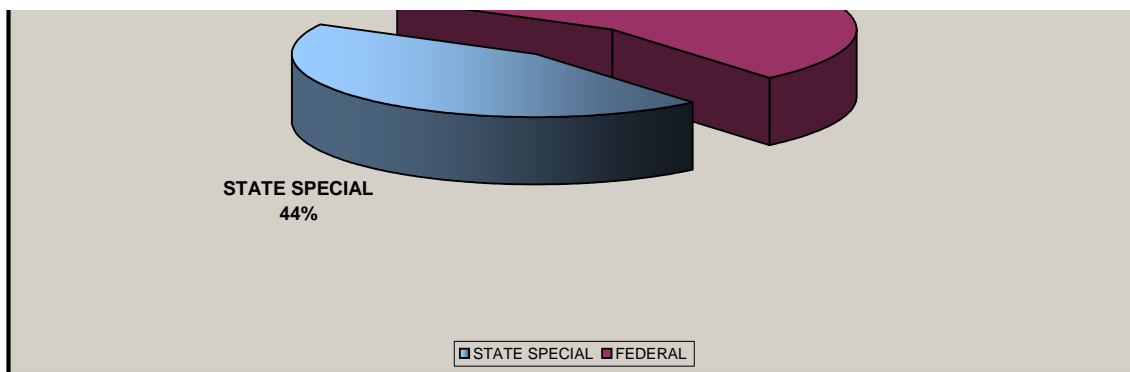


Chart Five illustrates that by the end of State Fiscal Year 2001, the financing of the bison/brucellosis issue is no longer exclusively a Montana cost. Federal funds have now paid for 56% of these expenses over the five-year period demonstrated.

Chart Six

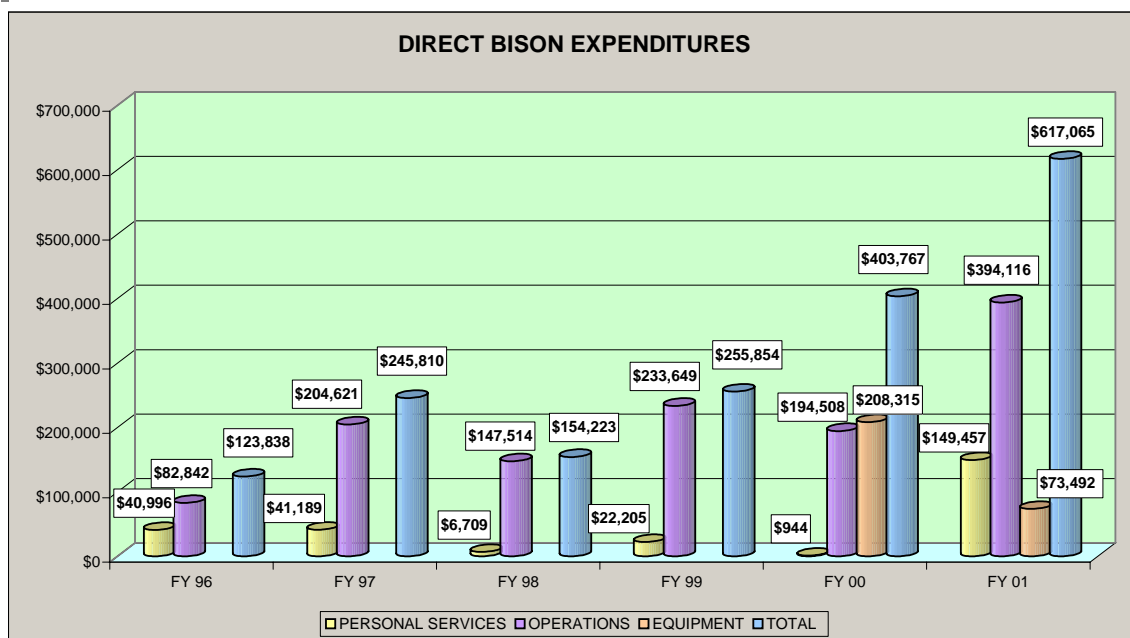


Chart Six illustrates personal services, operational, equipment and total costs from FY96 through FY01 for all funds. The Department of Livestock assumed much of the personal services costs as indirect expenditures from FY96 through FY00. In FY01 the department made a concerted effort to record direct bison related personal services costs for personnel at the operational site, as well as administrative personnel. In FY01, personal services costs totaled \$149,457.

Operational costs increased from \$82,842 in FY96 to \$394,116 in FY01. These include the cost to operate bison capture and testing facilities, hazing, lab testing and administrative expenditures directly related to bison/brucellosis control.

The Department of Livestock absorbed equipment costs up to FY00. As the bison management program expanded, additional and replacement equipment became necessary. Equipment expenditures were \$208,315 in FY00 and \$73,492 in FY01. These purchases were made from federal funds.

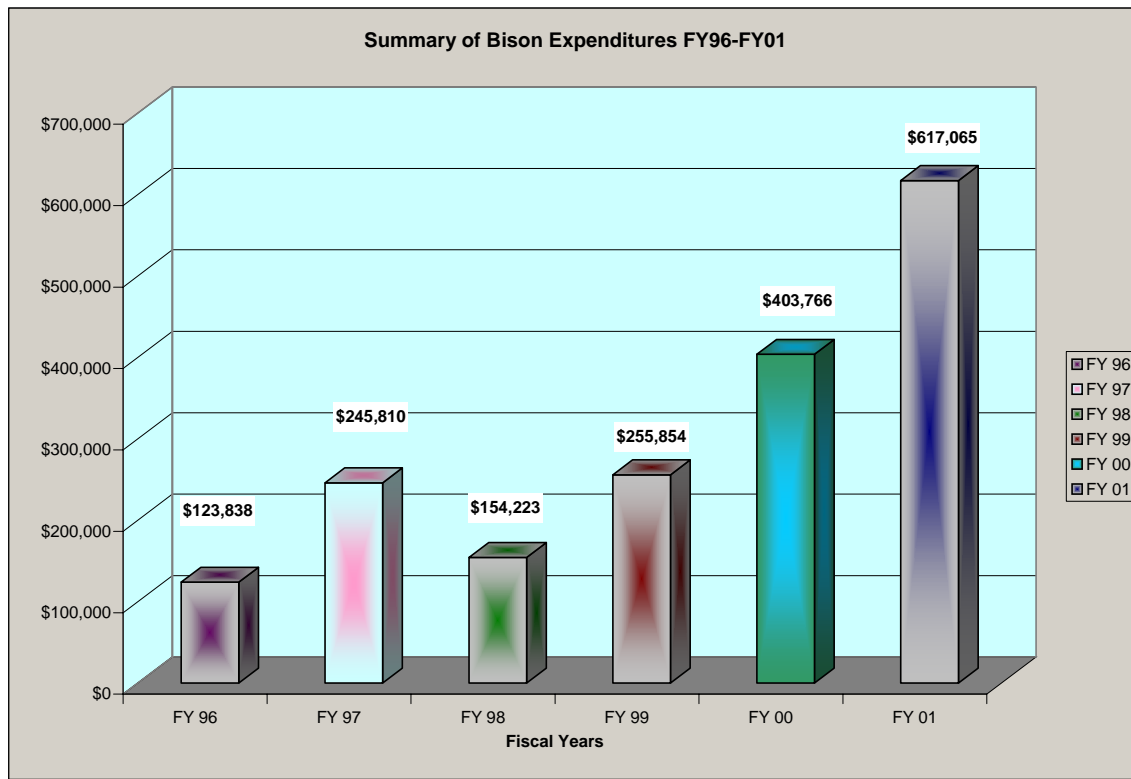
Chart Seven:

Chart Seven shows that total expenditures for the bison/brucellosis issue increased from \$123,838 in FY96 to \$617,065 in FY01. In FY96 and FY97 the Department of Livestock was responding to large numbers of bison migrating out of Yellowstone National Park. During the entire period FY96-01 the first capture facility was operational at Horse Butte. In FY99, a second capture facility was erected and managed. The cost of staffing, operating, securing and equipping the facility increased. In FY01 contract security costs alone were \$137,067.

As intergovernmental plans and agreements were reached, more emphasis was placed on hazing, testing, and humane handling of migratory bison. In FY99, 615 bison were hazed back into the park. In FY00, 415 were hazed. In FY01, the number of bison hazed back into the park, substantially increased to 1561. Hazing is an expensive operation that includes the costs of staffing, training, equipment, and on occasion the rental of aircraft. Humane handling of bison requires special equipment such as trailers and trucks with extra and separate compartments. The separation of bison avoids injury from animal to animal.

Also, in FY01 there were more expenses for research and analysis. The Department of Livestock entered into agreements with Fish Wildlife and Parks and MSU for brucellosis related research projects. The emphasis on research is to determine the most appropriate and effective means to prevent migration of brucellosis infected species out of the Yellowstone area into Montana. These factors account for the rise in costs shown in Chart Seven.